

Instructions for Limited Liability Companies or Limited Liability Partnerships Requesting a Tax Clearance Certificate

General Information

In order for the Franchise Tax Board (FTB) to issue a tax clearance certificate, the limited liability company (LLC) or limited liability partnership (LLP) must have filed all of the required returns and paid all taxes, penalties and interest associated with those returns. The entity must also complete or post one of the following:

- An assumption of tax liability;
- A surety bond;
- A cash deposit or
- A final return which will be audited before we issue the tax clearance certificate.

We may request additional information and/or documentation before issuing the tax clearance certificate.

We will send a copy of the tax clearance certificate to the LLC or LLP, the Secretary of State (SOS), and the representative, if requested.

Note: A Limited Partnership (LP) is not required to obtain a tax clearance certificate.

Assumption of Tax Liability

Assumptions must have a current date and original signature(s). We will not accept copies or facsimiles.

Any one of the following may file an assumption of tax liability:

1. An individual who is a California resident. Complete pages 1, 2, and 3 of form FTB 3555L.
2. A corporation that is incorporated or qualified in California. Complete pages 1 and 4 of the form FTB 3555L.

Note: A corporate assumer must be another corporation that is incorporated in or qualified to do business in California. Newly qualified corporations or corporations simultaneously qualifying must provide a financial statement indicating sufficient net worth to meet any potential tax liability of the terminating entity.

3. A California trust. Complete pages 1, 2 and 3 of form FTB 3555L.
4. A partner in a partnership or a beneficiary of an estate (although neither the partnership nor the estate may assume the liability). Complete pages 1, 2, and 3 of form FTB 3555L.

5. A limited liability company or limited liability partnership. Complete pages 1 and 4 of form FTB 3555L. Also, a financial statement must be provided indicating a sufficient net worth to meet any potential tax liability of the canceling or merging LLC or LLP.

Surety Bond (Minimum \$2,000.00)

To obtain a tax clearance certificate based on a surety bond, file form FTB 3555L with a letter stating your intent.

We will release the bond after a final audit has determined there is no tax liability. We will complete the audit approximately one year after the termination of the entity. This allows time for filing and processing the final tax return.

Cash Deposit (Minimum \$2,000.00)

To obtain a tax clearance certificate based on cash deposit, file form FTB 3555L with a letter stating your intent.

After we notify you of the amount required, remit the cash deposit with a copy of our letter to:

**FISCAL ACCOUNTING
FRANCHISE TAX BOARD
PO BOX 2800
SACRAMENTO CA 95812-2800**

We will release the cash deposit after a final audit has determined there is no tax liability. We will complete the audit approximately one year after termination of the entity. This allows time for filing and processing the final tax return.

Final Return/Taxes Paid

If the LLC has ceased business and has filed, or is in the process of filing, a final return, we may issue a tax clearance certificate only after we determine by audit that no tax liability exists.

File the final return in the normal manner. Attach a copy of the final return to form FTB 3555L and check the box on page 1 of that form indicating that the tax clearance certificate be issued based on taxes paid. Also state when you filed the original final return.

Suspended or Forfeited LLC

We will not issue a tax clearance certificate to a suspended or forfeited LLC. A suspended or forfeited LLC must first be revived to "good standing". For revivor requirements, call us at either:

- (800) 852-5711 (if calling from within the United States), or
- (916) 854-6500 (if calling from outside the United States.)

Express or Overnight Mail Service

Send express or overnight mail to:

**TAX CLEARANCE UNIT
FRANCHISE TAX BOARD
9645 BUTTERFIELD WAY
SACRAMENTO CA 95827**

Emergency Cases

In an emergency, you may obtain approval to receive a tax clearance certificate from the Franchise Tax Board's Sacramento field office located at:

3321 POWER INN ROAD STE 250
SACRAMENTO CA 95825

To obtain approval, contact the Tax Clearance Unit at (916) 845-4131 before going into the field office.